



General Assembly

January Session, 2007

Committee Bill No. 5342

LCO No. 5162

05162HB05342AGE

Referred to Committee on Select Committee on Aging

Introduced by:
(AGE)

AN ACT CONCERNING THE ELDERLY TAX FREEZE PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-170v of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2007, and*
3 *applicable to assessment years commencing on or after October 1, 2007*):

4 (a) (1) Any municipality, upon approval of its legislative body may
5 provide that an owner of real property or any tenant for life or for a
6 term of years liable for property taxes under section 12-48 who meets
7 the qualifications stated in this subsection shall be entitled to pay the
8 tax levied on such property, calculated in accordance with the
9 provisions of subsection (b) of this section for the first year the claim
10 for such tax relief is filed and approved in accordance with the
11 provisions of section 12-170w, as amended by this act, and such person
12 shall be entitled to continue to pay the amount of such tax or such
13 lesser amount as may be levied in any year, during each subsequent
14 year that such person meets such qualifications, and the surviving
15 spouse of such owner or tenant, qualified in accordance with the
16 requirements pertaining to a surviving spouse in this subsection, or
17 any owner or tenant possessing a joint interest in such property with

18 such owner at the time of such owner's death and qualified at such
19 time in accordance with the requirements in this subsection, shall be
20 entitled to continue to pay the amount of such tax or such lesser
21 amount as may be levied in any year, as it becomes due each year
22 following the death of such owner for as long as such surviving spouse
23 or joint owner or joint tenant is qualified in accordance with the
24 requirements in this subsection. After the first year a claim for such tax
25 relief is filed and approved, application for such tax relief shall be filed
26 biennially on a form prepared for such purpose by the assessor of such
27 municipality. Any such owner or tenant who is qualified in accordance
28 with this section and any such surviving spouse or joint owner or joint
29 tenant surviving upon the death of such owner or tenant, shall be
30 entitled to pay such tax in the amount as provided in this section for so
31 long as such owner or tenant or such surviving spouse or joint owner
32 or joint tenant continues to be so qualified. To qualify for the tax relief
33 provided in this section a taxpayer shall meet all the following
34 requirements: [(1)] (A) On December thirty-first of the calendar year
35 preceding the year in which a claim is filed, be [(A)] (i) seventy years of
36 age or over, [(B)] (ii) the spouse of a person, seventy years of age or
37 over, provided such spouse is domiciled with such person, or [(C)]
38 (iii) sixty-two years of age or over and the surviving spouse of a
39 taxpayer who at the time of such taxpayer's death had qualified and
40 was entitled to tax relief under this section, provided such surviving
41 spouse was domiciled with such taxpayer at the time of the taxpayer's
42 death, [(2)] (B) occupy such real property as his or her home, [(3)] (C)
43 either spouse shall have resided within this state for at least one year
44 before filing the claim under this section and section 12-170w, as
45 amended by this act, [(4)] and (D) the taxable and nontaxable income
46 of such taxpayer, the total of which shall hereinafter be called
47 "qualifying income", in the tax year of such homeowner ending
48 immediately preceding the date of application for benefits under the
49 program in this section, was not in excess of [limits set forth in section
50 12-170aa] thirty-three thousand eight hundred dollars, if unmarried,
51 and forty thousand three hundred dollars, jointly with spouse, if

52 married, as adjusted annually, in accordance with subdivision (2) of
53 this subsection, evidence of which income shall be submitted to the
54 assessor in the municipality in which application for benefits under
55 this section is filed in such form and manner as the assessor may
56 prescribe.

57 (2) The amounts of qualifying income as provided in this section
58 shall be adjusted annually in a uniform manner to reflect the annual
59 inflation adjustment in Social Security income, with each such
60 adjustment of qualifying income determined to the nearest one
61 hundred dollars. Each such adjustment of qualifying income shall be
62 prepared by the Secretary of the Office of Policy and Management in
63 relation to the annual inflation adjustment in Social Security, if any,
64 becoming effective at any time during the twelve-month period
65 immediately preceding the first day of October each year. The
66 secretary shall notify the assessors in each municipality of the amount
67 of such adjustment not later than the thirty-first day of December next
68 following.

69 (3) The amount of any Medicaid payments made on behalf of such
70 homeowner or the spouse of such homeowner shall not constitute
71 income. The income of the spouse of such homeowner shall not be
72 included in the qualifying income of such homeowner for purposes of
73 determining eligibility for tax relief under this section, if such spouse is
74 a resident of a health care or nursing home facility in this state, and
75 such facility receives payment related to such spouse under the Title
76 XIX Medicaid program. [In addition to the eligibility requirements
77 prescribed in this subsection, any municipality that provides tax relief
78 in accordance with the provisions of this section may impose asset
79 limits as a condition of eligibility for such tax relief.]

80 (b) The tax on the real property for which the benefits under this
81 section are claimed shall be the lower of: The tax due with respect to
82 the homeowner's residence for the assessment year commencing
83 October first of the year immediately preceding the year in which the

84 initial claim for tax relief is made, or the tax due for any subsequent
85 assessment year. If title to real property is recorded in the name of the
86 person or the spouse making a claim and qualifying under this section
87 and any other person or persons, the claimant hereunder shall be
88 entitled to pay the claimant's fractional share of the tax on such
89 property calculated in accordance with the provisions of this section,
90 and such other person or persons shall pay the person's or persons'
91 fractional share of the tax without regard for the provisions of this
92 section. For the purposes of this section, a "mobile manufactured
93 home", as defined in section 12-63a, shall be deemed to be real
94 property.

95 (c) If any person with respect to whom a claim for tax relief in
96 accordance with this section and section 12-170w, as amended by this
97 act, has been approved for any assessment year transfers, assigns,
98 grants or otherwise conveys subsequent to the first day of October, but
99 prior to the first day of August in such assessment year the interest in
100 real property to which such claim for tax relief is related, regardless of
101 whether such transfer, assignment, grant or conveyance is voluntary or
102 involuntary, the amount of such tax relief benefit, determined as the
103 amount by which the tax payable without benefit of this section
104 exceeds the tax payable under the provisions of this section, shall be a
105 pro rata portion of the amount otherwise applicable in such
106 assessment year to be determined by a fraction the numerator of which
107 shall be the number of full months from the first day of October in
108 such assessment year to the date of such conveyance and the
109 denominator of which shall be twelve. If such conveyance occurs in the
110 month of October the grantor shall be disqualified for such tax relief in
111 such assessment year. The grantee shall be required within a period
112 not exceeding ten days immediately following the date of such
113 conveyance to notify the assessor thereof, or in the absence of such
114 notice, upon determination by the assessor that such transfer,
115 assignment, grant or conveyance has occurred, the assessor shall
116 determine the amount of tax relief benefit to which the grantor is

117 entitled for such assessment year with respect to the interest in real
118 property conveyed and notify the tax collector of the reduced amount
119 of such benefit. Upon receipt of such notice from the assessor, the tax
120 collector shall, if such notice is received after the tax due date in the
121 municipality, no later than ten days thereafter mail or hand a bill to the
122 grantee stating the additional amount of tax due as determined by the
123 assessor. Such tax shall be due and payable and collectible as other
124 property taxes and subject to the same liens and processes of
125 collection, provided such tax shall be due and payable in an initial or
126 single installment not sooner than thirty days after the date such bill is
127 mailed or handed to the grantee and in equal amounts in any
128 remaining, regular installments as the same are due and payable. The
129 assessor shall notify the Secretary of the Office of Policy and
130 Management on or before the October first immediately following the
131 end of the assessment year in which such conveyance occurs of the
132 reduction in such tax relief benefit for purposes of a corresponding
133 adjustment in the amount of state payment to the municipality next
134 following as reimbursement for the revenue loss related to such tax
135 relief. Any municipality which neglects to notify the Secretary of the
136 Office of Policy and Management of the reduction as required by this
137 subsection shall forfeit two hundred fifty dollars to the state unless the
138 secretary waives such forfeiture in accordance with regulations
139 adopted under subsection (h) of this section.

140 (d) Any claim for tax relief under this section shall be submitted by
141 the municipality for approval by the Secretary of the Office of Policy
142 and Management, in the first year claim for such tax relief is filed and
143 biennially thereafter. The amount of tax relief approved shall be
144 applied to the real property tax payable by the taxpayer for the
145 assessment year in which such application is submitted and approved.
146 If any such taxpayer has qualified for tax relief under this section, the
147 tax relief benefit determined shall, when possible, be applied and
148 prorated uniformly over the number of installments in which the real
149 property tax is due and payable to the municipality in which the

150 taxpayer resides. In the event that a taxpayer has paid in full the
151 amount of property tax applicable to such homeowner's residence,
152 regardless of whether the municipality requires the payment of
153 property taxes in one or more installments, such municipality shall
154 make payment to such taxpayer in the amount of the tax relief benefit
155 allowed. The municipality shall be reimbursed for the amount of such
156 payment in accordance with subsection (e) of this section.

157 (e) On or before July first, annually, each municipality shall submit
158 to the secretary, a claim for the tax relief approved under this section in
159 relation to the assessment list of October first immediately preceding.
160 Any municipality which neglects to transmit to the Secretary of the
161 Office of Policy and Management the claim as required by this
162 subsection shall forfeit two hundred fifty dollars to the state unless the
163 secretary waives such forfeiture in accordance with regulations
164 adopted under subsection (h) of this section. Subject to procedures for
165 review and approval of such data pursuant to section 12-120b, as
166 amended by this act, the secretary shall, on or before December
167 fifteenth next following, certify to the Comptroller the amount due
168 each municipality as reimbursement for loss of property tax revenue
169 related to the tax relief allowed under this section. The Comptroller
170 shall draw an order on the Treasurer on or before the fifth business
171 day following December fifteenth and the Treasurer shall pay the
172 amount due each municipality not later than the thirty-first day of
173 December. Any claimant aggrieved by the results of the secretary's
174 review shall have the rights of appeal as set forth in section 12-120b, as
175 amended by this act. The amount of the reimbursement for loss of
176 property tax revenue payable to each municipality in any year in
177 accordance with this section shall be reduced proportionately in the
178 event that the total reimbursement for loss of property tax revenue
179 payable to municipalities in such year exceeds the amount
180 appropriated for the purposes of this section with respect to such year.

181 (f) If the Secretary of the Office of Policy and Management makes
182 any adjustments to the amount that the secretary has certified to the

183 Comptroller as due to the municipality for loss of property tax revenue
184 claimed under this section, the amount of such adjustment shall be
185 reflected in the next payment that the Treasurer makes to such
186 municipality pursuant to this section.

187 (g) Any municipality, upon approval of its legislative body, may
188 provide property tax relief to persons who otherwise satisfy the
189 eligibility requirements prescribed in subsection (a) of this section but
190 who have income that exceeds the eligibility limits prescribed in said
191 subsection (a) Any property tax relief provided by a municipality
192 pursuant to this subsection shall not qualify for reimbursement from
193 the state.

194 (h) The Secretary of the Office of Policy and Management may
195 adopt regulations in accordance with chapter 54, to establish standards
196 and procedures for waivers under subsections (c) and (e) of this
197 section.

198 Sec. 2. Section 12-170w of the general statutes is repealed and the
199 following is substituted in lieu thereof (*Effective October 1, 2007, and*
200 *applicable to assessment years commencing on or after October 1, 2007*):

201 (a) No claim shall be accepted under section 12-170v, as amended by
202 this act, unless the taxpayer or authorized agent of such taxpayer files
203 an application with the assessor of the municipality in which the
204 property is located, in such form and manner as the assessor may
205 prescribe, during the period from February first to and including May
206 fifteenth of any year in which benefits are first claimed, including such
207 information as is necessary to substantiate such claim in accordance
208 with requirements in such application. A taxpayer may make
209 application to the assessor prior to August fifteenth of the claim year
210 for an extension of the application period. The assessor may grant such
211 extension in the case of extenuating circumstance due to illness or
212 incapacitation as evidenced by a physician's certificate to that extent,
213 or if the assessor determines there is good cause for doing so. The

214 taxpayer shall present to the assessor a copy of such taxpayer's federal
215 income tax return and the federal income tax return of such taxpayer's
216 spouse, if filed separately, for such taxpayer's taxable year ending
217 immediately prior to the submission of the taxpayer's application, or if
218 not required to file a federal income tax return, such other evidence of
219 qualifying income in respect to such taxable year as the assessor may
220 require. Each such application, together with the federal income tax
221 return and any other information submitted in relation thereto, shall be
222 examined by the assessor and a determination shall be made as to
223 whether the application is approved. Upon determination by the
224 assessor that the applying homeowner is entitled to tax relief in
225 accordance with the provisions of section 12-170v, as amended by this
226 act, and this section, the assessor shall notify the homeowner and the
227 municipal tax collector of the approval of such application. The
228 municipal tax collector shall determine the maximum amount of the
229 tax due with respect to such homeowner's residence and thereafter the
230 property tax with respect to such homeowner's residence shall not
231 exceed such amount. After a taxpayer's claim for the first year has been
232 filed and approved such taxpayer shall file such an application
233 biennially. In respect to such application required after the filing and
234 approval for the first year the assessor in each municipality shall notify
235 each such taxpayer concerning application requirements by regular
236 mail not later than February first of the assessment year in which such
237 taxpayer is required to reapply, enclosing a copy of the required
238 application form. Such taxpayer may submit such application to the
239 assessor by mail provided it is received by the assessor not later than
240 March fifteenth in the assessment year with respect to which such tax
241 relief is claimed. Not later than April first of such year the assessor
242 shall notify, by certified mail, any such taxpayer for whom such
243 application was not received by said March fifteenth concerning
244 application requirements and such taxpayer shall submit not later than
245 May fifteenth such application personally or for reasonable cause, by a
246 person acting in behalf of such taxpayer as approved by the assessor.

247 (b) Any person knowingly making a false application for the
248 purpose of claiming property tax relief under section 12-170v, as
249 amended by this act, and this section shall be fined not more than five
250 hundred dollars. Any person who fails to disclose all matters relating
251 thereto or with intent to defraud makes a false statement shall refund
252 to the municipality all tax relief improperly taken.

253 [(c) Any municipality providing property tax relief under section
254 12-170v and this section may establish a lien on such property in the
255 amount of the total tax relief granted, plus interest applicable to the
256 total of unpaid taxes represented by such tax relief, at a rate to be
257 determined by such municipality. Any such lien shall have a priority
258 in the settlement of such person's estate.]

259 [(d)] (c) Any such property tax relief granted to any such resident in
260 accordance with the provisions of section 12-170v, as amended by this
261 act, and this section shall not disqualify such resident with respect to
262 any benefits for which such resident shall be eligible under the
263 provisions of sections 12-129b to 12-129d, inclusive, 12-129n and
264 12-170aa and any such property tax relief provided under this section
265 shall be in addition to any such benefits for which such resident shall
266 be eligible under sections 12-129b to 12-129d, inclusive, 12-129n and
267 12-170aa.

268 Sec. 3. Subsection (a) of section 12-120b of the general statutes is
269 repealed and the following is substituted in lieu thereof (*Effective*
270 *October 1, 2007, and applicable to assessment years commencing on or after*
271 *October 1, 2007*):

272 (a) As used in this section:

273 (1) "Claimant" means a person, company, limited liability company,
274 firm, association, corporation or other business entity having received
275 approval for financial assistance from a town's assessor or a municipal
276 official;

277 (2) "Financial assistance" means a property tax exemption, property
 278 tax credit or rental rebate for which the state of Connecticut provides
 279 direct or indirect reimbursement; and

280 (3) "Program" means (A) property tax exemptions under section 12-
 281 81g or subdivision (55), (59), (60), (70), (72) or (74) of section 12-81, (B)
 282 tax relief pursuant to section 12-129d, 12-170v, as amended by this act,
 283 or 12-170aa, and (C) rebates under section 12-170d.

284 Sec. 4. Section 12-170cc of the general statutes is repealed and the
 285 following is substituted in lieu thereof (*Effective October 1, 2007, and*
 286 *applicable to assessment years commencing on or after October 1, 2007*):

287 Any person aggrieved by the action of the assessor or assessors in
 288 fixing the amount of a credit under subsection (b) of section 12-170v, as
 289 amended by this act, subsection (f) of section 12-170aa or in
 290 disapproving the claim therefor may appeal to the Secretary of the
 291 Office of Policy and Management, in writing, [within] not later than
 292 thirty business days [from] after the date of notice given to such person
 293 by the assessor or assessors, giving notice of such grievance. The
 294 secretary shall promptly consider such notice and may grant or deny
 295 the relief requested, provided such decision shall be made not later
 296 than thirty business days after the receipt of such notice. If the relief is
 297 denied, the applicant shall be notified forthwith and may appeal the
 298 decision of the secretary in accordance with the provisions of section
 299 12-120b, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-170v

Sec. 2	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-170w
Sec. 3	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-120b(a)
Sec. 4	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-170cc

Statement of Purpose:

To: (1) Require the state to reimburse municipalities who elect to enact the property tax relief program allowed pursuant to section 12-170v; (2) increase income eligibility limits for said program; (3) eliminate the asset test and lien placement options afforded to municipalities under said program; and (4) allow municipalities to extend benefits under said program to higher income individuals without a state reimbursement component.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. JANOWSKI, 56th Dist.; REP. KEELEY, 129th Dist.
REP. LEWIS, 8th Dist.

H.B. 5342